Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-02

USIA-15 PRS-01 SP-02 EB-07 COME-00 FEA-01 OES-05

INT-05 GSA-02 ERDA-07 /067 W

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R 101609Z APR 75 FM AMEMBASSY THE HAGUE TO SECSTATE WASHDC 5657 INFO AMEMBASSY OSLO

UNCLAS THE HAGUE 1825

E.O. 11652: N/A TAGS: ENRG, NL

SUBJECT: JOINT DUTCH/NORWEGIAN PLANS FOR MINING OF MAGNESIUM SALTS

- 1. IN A JOINT VENTURE WITH NORWEGIAN NORSK HYDRO, BILLITON DELFSTOFFEN B.V., A SUBSIDIARY OF ROYAL DUTCH/ SHELL GROUP, PLANS TO MINE AND PROCESS MAGNESIUM AND POTASSIUM SALTS IN NORTHERN PART OF NETHERLANDS.
- 2. AS TEST DRILLINGS BY BILLITON INDICATED TECHNICAL FEASIBILITY OF EXPLOITATION, MINING CONCESSIONS IN AN AREA OF 36,638 HECTARES IN SOUTHEAST OF GRONINGEN PROVINCE AND NORTHEAST OF DRENTE PROVINCE HAVE BEEN APPLIED FOR.
- 3. AGREEMENT WAS REACHED BETWEEN BILLITION AND NORSK HYDRO FOR INVESTMENT OF 70 TO 80 MILLION GUILDERS (1 DOLLAR EQUALS 2.42DFL) IN MAGNESIUM OXIDE PLANT BY BILLITON, AND 1 MILLION GUILDERS IN A REFINERY FOR PURIFICATION OF MAGNESIUM AND POTASSIUM CHLORIDE BY NORSK HYDRO.
- 4. YEARLY PROCESSING CAPACITY OF SALT SOLUTION (15 TO 20 PERCENT MAGNESIUM CHLORIDE) WILL BE APPROXIMATELY 1 MILLION TONS BY BILLITON PLANT, AND 700,000 TONS BY NORSK HYDRO REFINERY, WHILE PRODUCTION OF BILLITION PLANT IS ESTIMATED AT 100,000 UNCLASSIFIED

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TONS MAGNESIUM OXIDE PER YEAR.

5. EARLIER STUDIES CARRIED OUT BY BOTH BILLITON AND MINISTRY OF ECONOMIC AFFAIRS REVEAL ECONOMIC DIFFICULTIES WITH FURTHER PROCESSING OF MAGNESIUM OXIDE TO MAGNESIUM IN NETHERLANDS BECAUSE OF HEAVY AMOUNTS OF ENERGY INVOLVED. MAGNESIUM SALTS WILL THEREFORE BE SHIPPED TO NORWAY AS RAW MATERIAL FOR NORSK HYDRO'S PLANTS.

6. DEPENDENT ON FURTHER TEST DRILLINGS AND ECONOMIC FEASI-BILITY STUDIES THIS YEAR, DEFINITE DECISION BY BILLITON WILL BE TAKEN IN COURSE OF 1976, WHILE PRODUCTION OF PLANTS IS EXPECTED TO START IN 1978.

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: MAGNESIUM, JOINT VENTURES, MINING CONCESSIONS

Control Number: n/a Copy: SINGLE Draft Date: 10 APR 1975 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: n/a Disposition Approved on Date: Disposition Authority: n/a Disposition Case Number: n/a

Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:

Document Number: 1975THEHA01825 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A Film Number: D750126-0786

From: THE HAGUE Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1975/newtext/t19750460/aaaacdxl.tel Line Count: 73 Locator: TEXT ON-LINE, ON MICROFILM

Office: ACTION EUR Original Classification: UNCLASSIFIED Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators: n/a
Previous Classification: n/a Previous Handling Restrictions: n/a Reference: n/a Review Action: RELEASED, APPROVED Review Authority: ShawDG

Review Comment: n/a
Review Content Flags: Review Date: 30 JUN 2003

Review Event:

Review Exemptions: n/a
Review History: RELEASED <30 JUN 2003 by SilvaL0>; APPROVED <21 JAN 2004 by ShawDG>

Review Markings:

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JÚL 2006

Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: JOINT DUTCH/NORWEGIAN PLANS FOR MINING OF MAGNESIUM SALTS TAGS: ENRG, NL
To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006